

MAINE STATE LEGISLATURE

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N I N E T Y - S E V E N T H L E G I S L A T U R E

Legislative Document

No. 327

S. P. 134

In Senate, February 1, 1955

Referred to the Committee on Retirements and Pensions, sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Butler of Franklin.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-FIVE

AN ACT Providing for Group Life Insurance for State Employees and Teachers.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., c. 63-A, §§ 24 - 26, additional. Chapter 63-A of the revised statutes is hereby amended by adding thereto 3 new sections to be numbered 24 to 26, inclusive, to read as follows: :

‘Group Life Insurance.

Sec. 24. Group life insurance. Group life insurance shall be provided all eligible state employees and teachers.

No eligible state employee or teacher may purchase more than an amount equal to 1 year's salary.

Each eligible state employee or teacher may select the amount of group life insurance in \$500 units up to the maximum applicable to him. Within 31 days of any master policy anniversary he may change the amount of group life insurance previously selected.

On retirement the average amount of group life insurance in force for the last 5 years prior to retirement shall be continued in force at no cost to the state employee or teacher. Said average amount being reduced 15% per year to a minimum of 25% of said average amount, and further provided that the maximum group life insurance in force on a retired member after attaining age 70 shall be 25% of the average amount of group life insurance in force for the last 5 years prior to retirement.

Each eligible state employee or teacher shall not contribute, through payroll deduction, more than 60 cents per \$1,000 per month for said group life insurance.

The balance of the cost shall be paid by the State. Any dividends or rating credits shall first be applied to reduce the State's cost.

Eligible state employees and teachers shall be those covered by the Maine State Retirement System who are not retired on the effective date of sections 24 to 26, inclusive, and who elect to make contributions for the group life insurance program.

An insurance company authorized to do business in this State shall underwrite this group life insurance program. Said company shall furnish the usual master policies and certificates and make the required solicitation. The premium rate shall be the minimum rate permitted an insurance company authorized to do business in all states.

Sec. 25. Administration. The Board of Trustees shall administer this group life insurance program and shall select the insurance company as a result of competitive bidding. The Board of Trustees shall employ an independent actuary, at a total cost not to exceed \$2,500, on a consulting basis who shall review the bids for the purpose of selecting the insurance carrier.

Sec. 26. Participating local districts. The employees of any county, city, town, water district, public library corporation or any other quasi-municipal corporation of the State or of Maine Municipal Association may participate in this group life insurance program, to the full extent of any and all benefits provided for in this chapter provided the county commissioners, or the city council or corresponding body of a city, or the voters of a town at a duly constituted town meeting, or the trustees of water districts or public library corporations or other quasi-municipal corporation, or the active member municipalities of Maine Municipal Association through its executive committee, approve such participation and file with the Board of Trustees a duly certified copy of the resolution of the county commissioners or of the city council or such corresponding body approving such participation and the extent of the benefits which shall apply, or a record of the vote of the town voters certified by the clerk of the town meeting. Such county, city, town, water district, public library corporation or other quasi-municipal corporation or Maine Municipal Association approving the participation of its employees in this group life insurance program shall thereafter be known for the purposes of this chapter as "a participating local district." Such county, city, town, water districts or public library corporations or other quasi-municipal corporations or Maine Municipal Association shall designate in their approval any class of employees who may be exempted from the provisions of this chapter. The date when the participation of the employees of a participating local district may begin shall be set by the Board of Trustees not more than 6 months following the date the local district approved the participation of its employees.

The chief fiscal officer of a participating local district shall submit to the Board of Trustees such information, and shall cause to be performed such duties, in respect to the employees of such local district as shall be prescribed by the Board of Trustees in order to carry out the provisions of this chapter, and shall pay such pro rata cost of premiums and expenses as may be levied by the Board of Trustees.

Sec. 2. Appropriation. There is hereby appropriated from the unappropriated surplus of the general fund, the sum of \$40,000 as the State's share of the cost of this act for the biennium ending June 30, 1957.